In order to further bridge the gap between supply and demand, the following steps are being taken:

— Maximisation of generation in existing power plants by Renovation & Modernisation.

— Reduction in Transmission & Distribution losses.

— Coordinated operation of Hydro, Thermal, Nuclear and Gas Turbine power stations.

— Promotion of inter-state/inter-regional power transfers.

— Demand side management.

— Conservation of energy.

Creation of Electricity Regulatory Authority

826. SHRI NARENDRA MOHAN: Will the Minister of POWER be pleased to state:

(a) how far the recently promulgated ordinance on the creation of Electricity Regulatory Authority would result in making the Power Sector self-sustaining so that continuously mounting losses could be curtailed;

(b) when will this Electricity Regulatory Authority be able to structure tariff realistically for various categories of users, especially when a three-year moratorium for the farm sector has been allowed; and

(c) what is the time-frame envisaged for meeting the avowed objective of this Ordinance, i.e. making the power-sector self-sustaining would be achieved particularly in view of divergent views being held by many State Governments?

THE MINISTER OF POWER (SHRI R. KUMARAMANGALAM): (a) and (b) The lack of credit-worthiness of State Electricity Boards (SEBs) is one of the critical problems facing the Indian Power Sector. The main reasons for the poor financial health of SEBs are on account of irrational tariff and lack of budgetary support from State Governments. As per the available informations, the total effective subsidy to agricultural and domestic sectors is over Rs. 19,200 crores during 1996-97. Of this, the State Governments proposed to compensate only Rs. 2634 crores through budgetary subventions. This is only 12.7% of the effective subsidy that the SEBs had to bear at the given levels of tariffs for agricultural and domestic sectors. SEBs, recovered around Rs. 8035 crores through cross-subsidisation. Thus the total net loss to the SEBs on account of low agricultural and domestic tariffs has been of the order of Rs. 8,500 crores. This is around 20% of the total revenue of electricity for power sale. The extent of the increase in the financial burden on SEBs during the period from 1992-93 to 1996-97 can be seen from the fact that in 1992-93 the losses on account of tariffs, after taking into account the accruals on account of budgetary subventions and cross-subsidization were on Rs. 2277 crores (i.e. around 10% of the total revenue from the power sale). The major impact of this has been:

(i) The net internal resources of SEBs needed to plan and undertake new investments have gone down from Rs. (-) 161.5 crores in 1992-93 to Rs. (-) 4482 crores in 1996-97.

(ii) High level of outstanding dues of SEBs to CPSUs has negative impact on the capacity of CPSUs to invest in capacity addition programmes. This compels CPSUs to depend upon costly borrowings from the domestic and international markets.

(iii) Poor financial health of SEBs does not permit the State Governments to extend adequate and commercially acceptable guarantees to private investors. It is assessed that escrowable capacity of SEBs can support only around 10,000 MW capacity in the power sector. Thus, despite receiving encouraging response from IPPs for investment in the power sector, the actual inflow has been below par.

The creation of Regulatory Commissions would help in rationalising tariff and also provide for cross-subsidies wherever required. The State Governments can exercise the option of providing subsidies over and above those recommended by Regulatory Commissions. Such subsidies could cover free power to agriculture, and/or to weaker sections on condition that the State Governments

compensate the SEB's by providing adequate budgetary support. When tariffs are rationalized and budgetary support is provided, the SEB's will improve their financial health and their capacity to invest. This would also ensure that there is no need for Government guarantees, counter-guarantees and operating of escrow accounts. This in turn will help in flow of greater resources, both public and private, into the power sector, thereby improving the power position considerably. This will go a long way in enabling the SEBs in investing on critical works such as renovation and modernisation of existing generation facilities, improvements of transmission and distribution systems etc. In the long run, this will have the effect of optimising operational performance, reducing the T & D losses and improving the quality of power supplies to the consumers and thereby making the consumers and thereby making the power sector self-sustained. The Regulatory Commissions are expected to structure tariffs realistically once they become functional.

(c) The establishment of the Electricity Regulatory Commissions is mandated by the Common Minimum National Action Plan for Power (CMNPP) which was finalised after two Conferences of Chief Ministers held in 1996. As per the Ordinance, the Regulatory Commissions are to be set up within a period of three months from the date of the commencement of the Ordinance (25-4-1998).

राष्ट्रीय ग्रामीण विद्युत निगम का गठन

827. **श्री ओंकार सिंह लखावत:** क्या विद्युत मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या सरकार "राष्ट्रीय ग्रामीण विद्युत निगम" गठित करने का विचार रखती है, यदि हां, तो तत्संबंधी ब्यौरा क्या है;

(ख) क्या भारत सरकार विद्युतीकरण कार्यक्रम के क्रियान्वयन एवं इस संबंध में लक्ष्य अर्जित करने हेतु विद्युत की वर्तमान व्यवस्था को विकेन्द्रीकृत करने और "राज्य ग्रामीण विद्युत निगम" गठित करने का विचार रखती है;

(ग) क्या सरकार 73वें संविधान संशोधन के पश्चात् पंचायत राज संस्थाओं को ग्रामीण विद्युतीकरण का दायित्व सौंपने का विचार रखती है; और

(घ) यदि हां, तो तत्संबंधी ब्यौरा क्या है?

विद्युत मंत्री (श्री रंगराजन कुमारमंगलम): (क) और (ख) जी, नहीं। ग्रामीण विद्युतीकरण निगम पहले से ही विद्यमान है।

(ग) और (घ) संविधान में 73वें संशोधन के पश्चात् ग्रामीण विद्युतीकरण और वितरण का कार्य राज्य सरकारों द्वारा पंचायती राज संस्था को सौंपा जा सकता है।

Effect on power supply due to nuclear test

828. SHRI GOVIND RAM MIRI: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that power sector in the country has been/is likely to be adversely affected by sanctions imposed/threatened by different countries following our recent Nuclear tests;

(b) if so, steps taken by Government to combat the same?

THE MINISTER OF POWER (SHRI R. KUMARAMANGALAM): (a) and (b) According to information available at present, the committed external assistance for the power sector is not likely to be affected by the sanctions imposed or threatened by the donor countries. In case of any adverse impact, Government will ensure alternative sources of finance, so that the momentum of investment in the power sector is not affected.

विद्युत वित्त निगम की भूमिका

829. **चौधरी हरमोहन सिंह यादव:** क्या विद्युत मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या विद्युत वित्त निगम को आपूर्ति संबंधी असंतुलन कम करने में कोई विशेष सफलता मिली है;

(ख) यदि हां, तो इस संबंध में सरकार की क्या प्रतिक्रिया है; और

(ग) गत तीन वर्षों के दौरान वर्ष-वार राज्य-वार कितनी राशि ऋण के रूप में दी गई है?

विद्युत मंत्री (श्री रंगराजन कुमारमंगलम): (क) से (ग) विद्युत वित्त निगम उन विद्युत परियोजनाओं के लिए ऋण प्रदान करता है जिनके कार्यान्वयन विद्युत आपूर्ति में होने वाले घाटे को कम करने में सहायता मिलती है। गत तीन वर्षों अर्थात् 1995-96, 1996-97 और 1997-98 के दौरान विद्युत वित्त निगम द्वारा प्रदान किए गए ऋण का वर्षवार और राज्यवार ब्यौरा विवरण में दिया गया है।